

Rural Utilities Service, USDA

§ 1737.40

(v) Detailed outside plant design maps must be submitted for all central office areas of initial loan applicants and for areas not previously served by existing borrowers or financed by RUS. These design maps must be in sufficient detail to substantiate the construction cost estimates.

(vi) For subsequent loans only, if a change in system boundaries is proposed, a map must be furnished showing present and proposed boundaries, and existing establishments and subscribers in the new areas.

(vii) Any other special exhibits needed to support particular items in the loan proposal must be included.

(3) *Certification.* The following certification shall be signed by a principal of the engineering firm and the borrower:

We, the undersigned, certify that the data in this Loan Design are correct to the best of our knowledge and belief and reasonably reflect the cost to serve the subscribers as proposed on the Forms 569, "Area Coverage Survey Report," which are integral parts hereof, and that this Loan Design adheres to RUS engineering and construction standards and practices.

(g) The RUS field representative shall review and make a recommendation on each LD.

(1) After completion of the LD, the borrower arranges a meeting with its engineer and RUS's field representative to review:

(i) Design and cost estimates.

(ii) Reserves available from prior loans, if any, or internally generated funds which may be applied against the requirements of the current application.

(2) One copy of RUS Form 567, "Checklist for Review of Loan Design," completed and signed by the borrower's engineer must be attached to the LD submitted to the RUS field representative.

(3) The RUS field representative recommends acceptance of the LD as the basis for RUS financing.

(4) Three copies of the final LD with the RUS field representative's recommendation are then sent to the relevant Area Office in RUS. A fourth copy is retained by the RUS field representative.

(5) A transmittal letter from the borrower must accompany the LDs, re-

questing that the application previously submitted be amended so as to be consistent with the approved LD.

(6) Final approval of the LD is given by the relevant Area Office in RUS. To be approved, the LD must be cost effective, include appropriate technology, and provide area coverage.

(7) Upon receipt of the LD and any other required information, RUS makes a preliminary analysis of the loan proposal. Before final consideration of the loan, RUS reviews the results of its preliminary analysis with the borrower.

(Approved by the Office of Management and Budget under control number 0572-0079)

[54 FR 13356, Apr. 3, 1989; 54 FR 16194, Apr. 21, 1989. Redesignated at 55 FR 39396, Sept. 27, 1990; 58 FR 66256, Dec. 20, 1993]

§§ 1737.33-1737.39 [Reserved]

Subpart E—Interim Financing of Construction of Telephone Facilities

§ 1737.40 General.

(a) Under special circumstances a borrower may request that RUS approve interim financing for interim construction. This subpart describes the circumstances in which RUS will consider approving interim financing of construction, the information to be submitted to RUS to support the borrower's request, RUS's requirements relating to interim construction, and related matters.

(b) For a borrower to preserve the option of obtaining loan funds for reimbursement of interim financing, it must obtain prior RUS approval of its interim financing plan and follow the procedures in 7 CFR 1737.41 and 7 CFR 1737.42.

(c) RUS will approve interim financing only for projects which must be performed immediately.

(d) RUS approval of interim financing is not a commitment that RUS will make loan funds available.

(e) Equal employment opportunity requirements apply to interim construction. See RUS Bulletin 320-15.